

MAY 30 2006

REMARKS

The following are Applicant's responses to the questions in Office action under 37 C.F.R. §1.105, Requirement for Information, issued by the Examiner on 02 March 2006:

**I. Names of Any Products or Services That Have Incorporated the Claimed Subject Matter.**

This request is set forth by the Examiner on page 2 of the Office action. The non-traditional economic supply optimization system (ESO) tool and process disclosed and claimed in the present application is currently being used as a prototype to economically match uncovered demands against non-traditional supply.

**II. State the specific improvements and specific elements providing those improvements of the claimed subject matter over the system/method for demanufacturing disclosed in the art cited by the Examiner in the Office action dated 02 March 2006.**

This request is set forth by the Examiner on page 3 of the Office action. The prior art references cited by the Examiner for clarification are: (1) Grenchus et al., Demanufacturing of Information Technology Equipment (1997) ("Grenchus 1997") and (2) Grenchus et al., Composition and Value of Returned Consumer and Industrial Information Technology Equipment (2000) (Grenchus 2000).

Both references address products and parts returns processing and both have statements about supply resale and re-utilization. The references disclose prior product

and parts broker sales and/or precious metals historical data to justify a parts save list or process to save incoming supply and/or demanufacture incoming supply to hold for anticipated future resale of precious metals or for brokered parts sales.

The focus of the Grenchus 1997 reference is on documenting the actual process of supply returns processing and the physical process to demanufacture supply returns in support of sales. The ESO system and process of the claimed invention does not relate to the physical process execution, like the cited art. Rather, the ESO system and process comprises an economics based demand and supply analysis tool that allows one of skill in the art to model a given demand for parts against a given set of multiple supply sources and types and uses business processes (e.g., cost and cycle times) to prioritize and optimize demand and supply matching. The resulting recommendations can then be used to provide planning input for returned and reutilized supply. The claimed invention provides rules driven economics and cost affordable solutions to reutilize used supply to minimize and prevent the expense involve in new purchases to obtain new supply of parts.

The Grenchus 2000 reference analyzes historical data that is focused on broker pails sales of parts obtained through the product and parts returns de-manufacturing process. The disclosure of Grenchus 2000 shows that parts and products are analyzed to determine marketability at the precious metals or parts/component level. This historical data of marketability is used to support a process to create save lists that will save these parts/products in the return process so they can be made available for resale.

The cited references are solving different problems and provide different solutions from the ESO tool and system of the present invention. The claimed invention comprises

an automated demand/supply tool and process that is rules driven for economic business process rules and control.

The ESO system and process claimed uses pre-defined business process rules and controls as inputs. The ESO tool and process analyzes non-traditional used supply in various forms, such as, for example, machines, features, parts, etc. Unlike the cited reference, the tool applies several parameters including: (1) pre-determined process costs; (2) process cycle times; and (3) known supply costs for new purchases to acquire new parts supplies. These parameters can be used to analyze, calculate and optimize, in aggregate, a solution for which supply sources economically satisfy the many parts demands.

The invention can optimize internal reutilization within the companies supply chain of non-traditional used supply sources to replace new purchases that are normally made to satisfy a parts demand. Thus, matching supply, used or otherwise, to known forecasted parts demand can be optimized. The ESO system and process allows users to set business process rules to control process cost economics, and process cycle times and demand lead times. Unlike the disclosed references, the present invention can use linear mathematics to optimize all available supply to all forecasted demands and can make demand and supply match recommendations when all economic rules and cycle time/lead time rules are met.

The ESO invention claim can run as black box analysis tool in front of any materials requirements planning ("MRP") demand supply process engine. The user supplies the data (e.g., business process rules, demand for new purchases, supply costs, process costs, process attributes, etc.).

**III. The Citation and a Copy of Each Publication which Any of the Applicants Co-authored which Describes the Disclosed Subject Matter.**

This request is set forth by the Examiner on page 3 of the Office action. Two publications published by Applicants that generally disclose subject matter related to the present application but not necessarily the subjected matter claimed include: (1) Fasano et al. "Optimizing Reverse Logistics Scenarios: A Cost-Benefit Study Using IBM's WIT Tool", Proceedings of the 2002 IEEE Symposium on Electronics and the Environment, 2002 and (2) Veerakamolmal et al. "Cost-benefit Study of Consumer Product Take-back Programs Using IBM's WIT Reverse Logistics Optimization Tool", Proceedings of the SPIE International Conference on Environmentally Conscious Manufacturing (Vol. 4569), 157-166, 2001. Should any other publications made by any of the inventors regarding the disclosed subject matter be discovered, a copy will be immediately forwarded to the Examiner.

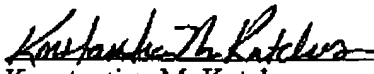
**IV. Any Prior Art Used by Applicants to Develop the Disclosed Subject Matter.**

This request is set forth by the Examiner on page 3 of the Office action. There is no prior art known by the Applicants to have been used as the basis for the current invention.

The above remarks are fully responsive to the Examiner's Requirement for Information under 37 C.F.R. §1.105. Should the Examiner have any questions, please call the undersigned attorney. Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 09-0441.

Respectfully submitted,

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